

CONNECTICUT SMALL POWER PRODUCERS ASSOCIATION

6 Far Hills Drive
Avon, CT 06281

dbroatch@earthlink.net

tel (860)255-7744
fax (860)679-9529

"Promoting small, environmentally responsible energy projects in CT"

To: Committee on Energy and Technology

From: CSPPA

Date: 3/6/13

RE: Raised Bill 6532

Since 1985 the Connecticut Small Power Producers Association (CSPPA) has been an association of people and companies involved or interested in small, environmentally responsible, electricity generating facilities in Connecticut. The majority of our members develop and/or own small renewable energy facilities. These projects provide many societal and environmental benefits. They also represent substantial monetary investments and jobs in our state.

I am writing on behalf of CSPPA in opposition to Bill 6532 which is on the Committee's agenda for the 3/7/13 public hearing.

The economic viability of renewable projects depends on the revenue derived from the sale of Renewable Energy Credits (REC's). Bill 6532 proposes to change the Alternative Compliance Price (ACP) of CT Class I REC's from 5.5 to 3.1 cents/kWh. This will immediately lower the value of the REC's and it will improperly manipulate a market which should remain a free market.

Bill 6532 also proposes to expand the eligible generating units to include NY, PA, NJ, MD and DE. This will drastically increase supply which will automatically depress the price.

CSPPA members are depending on the existing system and working hard at developing renewable projects. The CT Class I REC provides an incentive that the projects need and deserve. Simply put the lowered ACP value will paralyze the development of new projects. It will also send the message that the CT Class I REC's are not reliable. Project financing relies on a reliable REC market. Manipulations of

the REC market, such as Bill 6532, serve to undermine the very system that project developers need to have trust in.

In consideration of the above we respectfully request that you defeat Bill 6532.

We look forward to working with you on promoting the development of renewables in Connecticut. Please contact me if you have any questions.

Sincerely,

Duncan S. Broatch
Chairperson